

Extension Dates of Brazil-East European Credit Accords

Czechoslovakia, May 1961
Poland, November 1962
Romania, May 1961

The Czech and Romanian accords became operative on signing. The Polish agreement, however, probably did not become effective until late in 1962. Excerpts from agreements below:

Romanian Accord, Article XIII

This agreement will take effect on the date the respective ratification documents are exchanged. Meanwhile, the provisions of this agreement will be applied temporarily, on the date the undersigned notify each other of the prior acceptance of the above provisions by competent authorities of each government.

Signed May 1961

Czechoslovakian Accord, Article VI

While waiting for the exchange of ratification documents of the trade and payments agreement of 24 June 1960, both parties will make its provisions immediately and provisionally applicable.

Signed 19 May 1961

Polish Accord, Article XI

The present protocol shall come into force after the confirmation of its validity by the respective authorities of the two countries, the day when the documents of confirmation are exchanged.

Since no provision was made for the temporary application of the Polish accord, the formal ratification date, early in 1963, normally would be considered as the date of extension. Nevertheless, November 1962 is the date used by the Agency because the Brazilian Embassy in Washington announced that the credit had been extended in its Newsletter for November 1962. Moreover, in December 1962 a contract was signed, under the credit, to build a thermal electric plant in the Rio Grande do Sol. (The contract has since been abrogated.) This situation is explained by the fact that the formality of ratification is not always observed in Brazil, as has been apparent for other agreements that also have become operative before the required ratification was obtained. (Note Attachment A)

Drawings on Brazil-Buenos Aires Credit of 1961

As of 30 December 1965, total deliveries under this credit are estimated at \$7 million. This figure represents the estimated value of 16 rigs and related equipment that were purchased by Brazil, presumably under the credit, and all believed to be delivered by the end of 1965.

Drawings on Brazil-Czech Credit of 1961

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Early in 1965 [redacted] stated that only \$5-\$6 million of Czech credits had been used. Later in the year the American Embassy in Rio estimated total drawings at \$10 million. This latter figure has been accepted by the Agency as total cumulative drawings on the credit through the end of 1965.

Indonesia-Polish Credit of August 1961

This credit is carried as \$37.5 million, although the original agreement provided for only \$30 million in credits, which were to cover 80 percent of the f.o.b. value of deliveries. A protocol signed in 1962 eliminated the downpayment provision and specified that credits were to cover 100 percent of the foreign exchange costs. (Note Attachment B) To cover these increased costs that were now to come under the credit, the amount of the credit was raised by \$7.5 million to \$37.5 million.

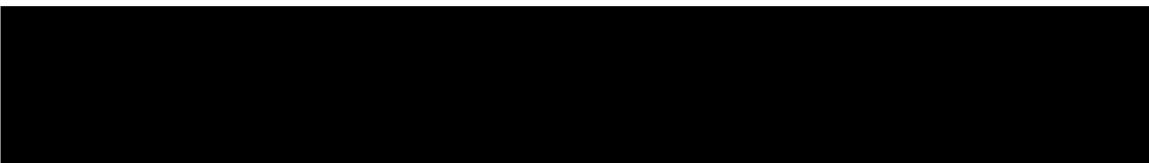
Indonesia-Chinese Communist Credits

The date of extension of the \$30 million Chinese Communist credit is carried as October 1961. Although the credit may have been offered at an earlier date, all of our sources give the actual date of the agreement as 11 October 1961. (Note Attachment C)

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Cambodia-Czech Credit of 1961



25X1X7

Yemen-USSR

25X1C

The Agency figure for the March 1964 Soviet credit to Yemen has been revised upwards to \$72.2 million.

Iraq-USSR

25X1C

The recently announced figure of \$300 million as the value of the credit for the steel mill, machine tools plant and technical services for part of the pipeline will be included in the estimate of Soviet aid extended during 1965. In spite of the fact that the agreement, stipulating the amount of the credit, was not signed until 15 January 1965, agreement on project assistance was reach in June 1965 during the Shah's visit to Moscow and an agreement to provide technical and financial assistance was signed in October 1964. Thus, the credit will be carried as part of the new aid total for 1965, although we may change the extension date to 1966 at a later time.

Turkey-USSR

An estimated figure of \$200 million for Soviet aid to Turkey will be included in the 1965 estimate of Soviet credit extensions. (Based on estimates in the London Times, 19 November 1965, and in other newspapers.) Although the value of the credit will be contingent on the results of surveys currently being undertaken (as was the case in Iran), 1965 is considered the date of extension since the agreement to cooperate in undertaking several specific projects was signed during the year. As in the case of Iran, it may be appropriate at some later date to change the year of extension to 1966.

UAR-Bulgaria

October 1964 credit of \$37 million. (Note Attachment 2)

UAR-Hungary

Loan of \$4 million in 1965.

American Embassy, Cairo, reported on 19 November 1965 that an economic cooperation agreement was signed with Hungary on 5 November, under which the UAR will receive additional credits of 15 million

25X1C pounds sterling to finance factories and industrial equipment under the Second Five Year Plan. According to the Cairo press, it will be a long-term loan, repayable in installments, in Egyptian commodities. [redacted] that Hungary will provide the UAR with capital goods, factories and spare parts worth 15 million pounds sterling under the terms of a 3 year trade and economic cooperation agreement signed in Cairo.

Change-4251

Allocation of credits to consumer goods purchases, under the 1960 and 1961 accords. (Note Attachment 7)

Change-4252

Ilyushin Il-18 aircraft. (Note Attachment C)

Attachment C also provides information on Soviet credits for agricultural equipment and the fishing industry that were discussed with [redacted]

25X1X7 Based on the information given in this attachment, in the future the Agency will carry the following additional Soviet credits:

August 1961	Fishing trawlers	\$2.8 million (Excludes 40 percent downpayment)
September 1961	Agricultural machinery	\$1.4 million (Excludes 10 percent downpayment)

TRANSMITTAL SLIP		DATE 1 MAR 1966
TO: <i>SHP/c</i>		
ROOM NO.	BUILDING	
REMARKS:		
FROM: SA/RR		
ROOM NO. 4-F-26	BUILDING Hdqrs.	EXTENSION 5021

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

GPO : 1957—O-439445 (47)